

**BEFORE  
THE PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA  
DOCKET NO. 2018-346-C**

IN RE:

Application of Horry Telephone Cooperative, Inc. for )  
Designation as an Eligible Telecommunications Carrier )  
In Certain Census Blocks in Georgetown and Marion )  
Counties for Purposes of Receiving Federal Connect )  
America Fund ("CAF") Phase II Support )  

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**TESTIMONY OF BRENT GROOME**

**Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

**A.** My name is Brent Groome. My business address is 3480 Hwy 701 N., Conway, South Carolina 29528.

**Q. BY WHOM AND IN WHAT CAPACITY ARE YOU EMPLOYED?**

**A.** I am employed by Horry Telephone Cooperative, Inc. ("HTC") as its Chief Executive — Marketing, Economic, and Strategic Initiatives.

**Q. PLEASE BRIEFLY OUTLINE YOUR EDUCATION, TRAINING, AND EXPERIENCE IN THE TELECOMMUNICATIONS INDUSTRY.**

**A.** I joined HTC in 1990 and have nearly 30 years of experience with HTC, including Public Relations Representative, Assistant Commercial Manager, Commercial Manager, and Chief Executive — Customer Operations. In my current role, I oversee all marketing operations, as well as economic and strategic initiatives of the company. Prior to joining HTC, I started my communications career with GTE in 1987. I graduated from the

University of North Carolina – Chapel Hill with a Bachelor of Arts in Journalism with emphasis in Public Relations. I currently serve on several local and national boards.

**Q. ON WHOSE BEHALF ARE YOU TESTIFYING HERE TODAY AND WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

**A.** I am testifying on behalf of HTC in support of its Application for Designation as an Eligible Telecommunications Carrier (“ETC”) in certain areas of Georgetown County and Marion County (the “Funded Areas”) in order to receive federal universal service support under Sections 214 and 254 of the Federal Telecommunications Act of 1996 and pursuant to the Federal Communications Commission’s (“FCC”) Connect America Fund Phase II (“CAF Phase II”) auction. As explained in detail in the Amended Application filed in this docket, which is attached hereto and incorporated by reference herein, granting HTC’s request for designation as an ETC in these areas not later than February 25, 2019, would serve the public interest by allowing HTC to use available federal funding to bring robust broadband service to certain areas of the State.

**Q. DO YOU HAVE ANY CLARIFICATIONS WITH RESPECT TO THE APPLICATION?**

**A.** Yes. The Application requests designation in 3 Census Block Groups where HTC was the winning bidder in the CAF Phase II auction. On December 18, 2018, the FCC Staff sent an email to the winning bidders in the CAF Phase II auction clarifying that winning bidders are only required to be designated as ETCs for the Census Blocks where funding is available and, to the extent the company requested ETC designation at the Census Block Group level, it would be required to undertake ETC obligations in portions of those areas without associated federal funding. Consequently, HTC clarifies that its request for ETC designation is not for the entirety of the three Census Block Groups, but for 17 Census Blocks (15 in Georgetown County, and 2 in Marion County) within those three Census

Block Groups, where the FCC's funding will be targeted. Attached hereto and incorporated herein by reference is an Amended Application. The Amended Application is identical to the Application with the exception of minor changes necessary to clarify that the request for ETC designation is limited to the specified Census Blocks within the previously-mentioned Census Block Groups.

**Q. DOES THE COMPANY SATISFY ALL OF THE REQUIREMENTS FOR DESIGNATION AS AN ETC?**

- A.** As explained in detail in the Amended Application filed in this matter, HTC meets all of the federal requirements for designation as an ETC for CAF Phase II purposes. Additionally, HTC meets all of the state-specific requirements for designation as an ETC with two exceptions, for which HTC requests a waiver.

First, HTC requests a waiver of the requirement to submit a 2-year plan pursuant to R. 103-690.C.(1)(B). In lieu of filing the two-year plan at the state level, and consistent with the FCC's waiver of similar federal requirements, HTC will make available to the Commission and the Office of Regulatory Staff all reports it is required to file with the FCC in connection with the CAF Phase II funding for the Funded Areas.

Second, HTC requests a waiver of R. 103-690.C.(b) to the extent it would prohibit designation of HTC as an ETC in an area smaller than a wire center. As explained in the Amended Application, the FCC has established a mechanism to ensure the deployment of broadband to unserved and underserved areas. It has done so by undertaking a granular analysis, at the Census Block and location level, to target funding to such areas. If the Commission were to deny HTC the designation it requests at the Census Block level, federal funding would not be made available to HTC to serve the Funded Areas. Therefore, it is in the public interest to grant the requested waiver of that portion of R. 103-690.C(b)

that provides that the Commission shall not designate an ETC service area smaller than an entire wire center.

**Q. HAS THE COMPANY PROVIDED THE CERTIFICATIONS REQUIRED BY COMMISSION REGULATIONS?**

**A.** Yes. Attached to the initial Application in this matter is the sworn Affidavit of Carlton Lewis, an officer of the Company, certifying that the Company acknowledges that the FCC may require it to provide equal access to long distance carriers in the event that no other ETC is providing equal access within the service area; that the Company does offer or will offer the services supported by federal universal service support by using its own facilities or a combination of its own facilities and resale of another carrier's services; and that it does or will advertise in a media of general distribution the availability of such services, including Lifeline services and the applicable charges. This certification meets the requirements of Commission Reg. 103-690.C.(a)(5)-(7). I am also an officer of the Company and can attest to that as well.

**Q. WILL GRANTING THE APPLICATION SERVE THE PUBLIC INTEREST?**

**A.** Yes. HTC's designation as an ETC for the Funded Areas will allow it to build out unserved or underserved areas using federal funding, bringing the benefits of high-speed broadband to these areas. Accordingly, it is in the public interest to designate Company as an ETC in the CAF Phase II Funded Areas.

**Q. DOES THIS COMPLETE YOUR TESTIMONY?**

**A.** Yes, it does.

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America Fund ("CAF") Phase II Support )  
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**HORRY TELEPHONE COOPERATIVE, INC. AMENDED APPLICATION FOR  
ELIGIBLE TELECOMMUNICATIONS CARRIER DESIGNATION**

Horry Telephone Cooperative, Inc. ("HTC" or the "Company") is seeking designation as an Eligible Telecommunications Carrier ("ETC") in fifteen eligible census blocks in two census block groups located in Georgetown County and two eligible census blocks in one census block group located in Marion County in order to receive federal universal service support under Sections 214 and 254 of the Federal Telecommunications Act of 1996 and pursuant to the Federal Communications Commission's ("FCC") Connect America Fund Phase II ("CAF Phase II") auction.

In support of this Application, HTC respectfully submits as follows:

The name and address of the Applicant are as follows:

Horry Telephone Cooperative, Inc.  
P.O. Box 1820  
3480 Hwy 701 N.  
Conway, SC 29528-1820

All correspondence, notices, inquiries and other communications regarding this application should be sent to:

M. John Bowen, Jr.  
Margaret M. Fox  
McNAIR LAW FIRM, P.A.  
Post Office Box 11390  
Columbia, South Carolina 29211  
Telephone: (803) 799-9800  
Facsimile: (803) 753-3278  
Email: jbowen@mcnair.net; pfox@mcnair.net

The name, title, address and telephone number of the person who should be contacted in connection with general management of the company is:

Mike Hagg, Chief Executive Officer  
Horry Telephone Cooperative, Inc.  
P.O. Box 1820  
3480 Hwy 701 N.  
Conway, SC 29528-1820  
Telephone: 843-369-8347  
Facsimile: 843-365-1999  
E-mail: Mike.Hagg@htcinc.net

# **I. Description of Applicant**

HTC is an incumbent local exchange carrier (“ILEC”) and provides local exchange services, both as an ILEC within its ILEC service area and as a competitive local exchange carrier outside its ILEC service area, as well as intrastate exchange access service within geographical areas established by the Public Service Commission of South Carolina (the “Commission”). HTC is an ETC in its ILEC service area.<sup>1</sup> HTC’s former affiliate, HTC Communications, LLC, was previously designated as a competitive ETC within its licensed wireless service territory for purposes of receiving federal high-cost support for its wireless operations.<sup>2</sup> HTC consolidated its operations on or around January 1, 2011, acquiring its wholly-owned subsidiary HTC

<sup>1</sup> See Commission Order No. 1997-958 in Docket No. 1997-239-C.

<sup>2</sup> See Commission Order No. 2008-273 in Docket No. 2007-402-C.

Communications, LLC, and assuming all of its assets, liabilities and obligations.<sup>3</sup> HTC ceased being an ETC with respect to the provision of wireless services effective October 18, 2013.<sup>4</sup>

The Federal Communications Commission (“FCC”) released the USF/ICC Transformation Order<sup>5</sup> in an effort to comprehensively reform and modernize the high-cost program within the universal service fund and the intercarrier compensation system to reposition support for networks capable of providing both voice and broadband services. The FCC created the Connect America fund and shifted support in price cap areas so that support would be provided through a combination of a forward-looking model of the cost of constructing multi-purpose networks, and established a competitive bidding process for support to these areas. The FCC offered support based on a forward-looking cost model to incumbent price cap carriers serving certain high-cost areas in exchange for committing to offer voice and broadband services meeting certain service requirements in those areas. In those areas where the incumbent price cap carrier declined model-based support and in areas within the incumbent price cap carrier service territories where the FCC did not offer support, the FCC decided to award support through a competitive bidding process. HTC identified service areas in Frontier Communications and AT&T’s incumbent markets which were unserved or underserved and which could be serviced by HTC utilizing a fixed wireless application.

HTC participated in the FCC’s Connect America Fund Phase II (“CAF II”) auction (“Auction 903”) and was deemed a winning bidder for 80 locations in the eligible census blocks

<sup>3</sup> See Commission Order No. 2012-261 in Docket Nos. 1991-514-C, 1998-49-C, and 2007-402-C.

<sup>4</sup> See Commission Order No. 201-811 in Docket Nos. 2007-402-C and 2013-14-C.

<sup>5</sup> See *Connect America Fund; A National Broadband Plan for Our Future; Establishing Just and Reasonable Rates for Local Exchange Carriers; High-Cost Universal Service Support; Developing a Unified Intercarrier Compensation Regime; Federal-State Joint Board on Universal Service; Lifeline and Link-Up; Universal Service Reform – Mobility Fund*; WC Docket Nos. 10-90, 07-135, 05-337, 03-109, CC Docket Nos. 01-92, 96-45, GN Docket No. 09-51, WT Docket No. 10-208, Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Red 17663 (2011) (“*USF/ICC Transformation Order and/or FNPRM*”); *aff’d sub nom.*, *In re: FCC 11-161*, 753 F.3d 1015 (10th Cir. 2014).

in the census block groups identified in Exhibit A (hereinafter referred to as “Funded Areas”).<sup>6</sup> The Company currently has authority to provide service as a CLEC in Georgetown County. The Company is in the process of applying to expand its authority to provide service as a CLEC in AT&T–South Carolina’s service area in Marion County. In this petition, Company requests a new ETC designation for only these Funded Areas, which will be given a Study Area Code upon final FCC authorization of CAF II funding. With this Application, and supporting documents, Company seeks an Order from the South Carolina Public Service Commission (“Commission”) which designates Company as an ETC in the Funded Areas in the census blocks listed in Exhibit A, pursuant to § 214(e) of the Communications Act of 1934.

## **II. Background**

On August 28, 2018, the FCC released a Public Notice<sup>7</sup> announcing the conclusion of Auction 903. Areas that will receive support through this auction are locations in census blocks in rural areas served by price cap carriers that do not have access to broadband at speeds of at least 10 Mbps downstream and 1 Mbps upstream (“10/1”). The FCC has determined that these areas are rural, sparsely populated, and historically, there has not been a viable business case that makes financial and operational sense for investing in state-of-the-art broadband infrastructure in the absence of sufficient and predictable universal service support. The CAF Phase II funding, grant funding, loans and other financial tools, provide sufficient incentives for entities, such as HTC, to expand their existing footprints and serve the rural areas identified for support in Auction 903.

Carriers awarded support in this auction must deploy broadband to the specified number of locations in eligible census blocks in the census block groups in which they bid within a six-year period at the speed tier specified in their bid. Company’s bid was to provide broadband at

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<sup>6</sup> See Exhibits A and B, list of Census Blocks and total number of locations by Census Block Group, and map showing location of Census Block Groups where HTC was the winning bidder in the CAF Phase II auction.

<sup>7</sup> Connect America Fund Phase II Auction (Auction 903) Closes; Winning Bidders Announced; FCC Form 683 Due October 15, 2018, Public Notice, AU Docket No. 17-182, WC Docket No. 10-90, DA 18-887 (rel. Aug. 28, 2018) (“Provisional Winners PN”).



speed tiers greater than or equal to 25 Mbps downstream and 3 Mbps upstream within the six-year budget period. Funding in the form of CAF II support will be provided monthly over a ten-year period based upon the amount of their winning bid.

Company participated in this auction and was among the 103 providers listed as provisional winners. Company will receive \$233,490 over a ten-year period to build a network capable of delivering 25 Mbps / 3 Mbps broadband to the 80 locations in the Funded Areas upon completion of certain post-auction requirements. One of these requirements is for Company to be designated an ETC in the Funded Areas by February 25, 2019.<sup>8</sup> Accordingly, grant of this application is vital for consumers in rural South Carolina to be able to receive high speed broadband. The services offered to these subscribers will be broadband at 25/3 and voice services. In addition to broadband services, customers will also be provided with voice grade access to the public switched network.

### **III. Authority to Designate HTC as an ETC for the Funded Areas**

Pursuant to 47 USC § 214(e)(2), a state commission may designate a common carrier that meets the requirements of 47 USC § 214(e)(1) as an ETC for a service area designated by the state commission.

47 USC § 153(11) defines a common carrier as “any person engaged as a common carrier for hire, in interstate or foreign communication by wire or radio or in interstate or foreign radio transmission of energy, except where reference is made to common carriers not subject to this chapter; but a person engaged in radio broadcasting shall not, insofar as such person is so engaged, be deemed a common carrier.”<sup>9</sup> Company provides telecommunications service as a common carrier and will continue doing so in the Funded Areas in which it seeks designation. Additionally, as demonstrated below, Company satisfies the requirements of Section

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<sup>8</sup> *Id.* at p. 6.

<sup>9</sup> 47 USC § 153(11).

214(e)(1) for designation as an ETC in the Funded Areas. Accordingly, the Commission has the authority to designate Company as an ETC in the Funded Areas.

#### **IV. Company Satisfies All the Requirements for Designation as an ETC**

Section 214(e)(1) of the Communications Act of 1934, as amended and Section 54.201(d) of the rules of the FCC require ETCs to, throughout their service areas for which designation is received, (1) offer the services supported by federal universal service support mechanisms, (2) either using its own facilities or a combination of its own facilities and resale of another carrier's services, and to (3) advertise the availability of such services and the charges using media of general distribution.<sup>10</sup>

##### **A. ETCs Must Offer Supported Services Through its Own Facilities or Through a Combination of its Own Facilities and Resale**

In order to be designated as an ETC, a carrier must offer the services that are supported by universal support mechanisms, which are voice telephony services and broadband service as defined in Section 54.101 of the FCC's Rules,<sup>11</sup> either through its own facilities or a combination of its own facilities and resale of another carrier's facilities. Section 54.101(a)(1) defines voice telephony services eligible for universal service support as:

services [that] provide voice grade access to the public switched network or its functional equivalent; minutes of use for local service provided at no additional charge to end users; access to the emergency services provided by local government or other public safety organizations, such as 911 and enhanced 911, to the extent the local government in an eligible carrier's service area has implemented 911 or enhanced 911 systems; and toll limitation services to qualifying low-income consumers as provided in subpart E of this part.<sup>12</sup>

Section 54.101(a)(2) defines broadband Internet access services eligible for universal service support as:

services [that] provide the capability to transmit data to and receive data by wire or radio from all or substantially all Internet endpoints, including any capabilities

<sup>10</sup> 47 U.S.C. §214(e)(1); 47 C.F.R. § 54.201(d)(1). 47 C.F.R. § 54.201(d)(1) defines the term "facilities" as meaning "any physical components of the telecommunications network that are used in the transmission or routing of the services that are designated for support . . . ."

<sup>11</sup> 47 C.F.R. §54.101.

<sup>12</sup> 47 C.F.R. §54.101(a)(1).

that are incidental to and enable the operation of the communications service, but excluding dial-up service.<sup>13</sup>

The FCC has additional buildout requirements for carriers that are awarded CAF Phase II auction support. Pursuant to these requirements, Company must be able to provide 25 Mbps / 3 Mbps broadband to the 80 locations in the Funded Areas within a six-year period.<sup>14</sup>

**B. Company Hereby Demonstrates That it will Offer and Provide Each of the Above-listed Services Through its Own Facilities**

**1. Voice Grade Access to the Public Switched Network or its Functional Equivalent**

Voice grade access to the Public Switched Network or its functional equivalent is provided by Company using its facilities-based network. Users will have equipment installed at their premises which will enable the user to transmit and receive voice communications, including signaling associated with the transmission and receipt of telecommunications traffic. This will enable users to place and receive voice grade calls to and from other HTC customers and from all other users on the public switched network. HTC will provide this voice grade access to its customers through interconnection of HTC facilities and the public switched telephone network via its IP-Enabled/TDM Metaswitch.

**2. Company Offers Minutes of Use for Local Service Provided at No Additional Charge to End Users**

Company will offer voice products in the census blocks of the Funded Areas provisionally awarded to the Company. FCC regulations require that an ETC applicant “demonstrate that it offers a local usage plan comparable to the one offered by the incumbent LEC in the service areas

<sup>13</sup> 47 C.F.R. §54.101(a)(2). Section 54.101(c) requires ETCs “subject to a high-cost public interest obligation to offer broadband Internet access services” to offer broadband services “within the areas where it receives high-cost support.”

<sup>14</sup> For recipients of CAF Phase II support, the FCC waived the requirement that winning bidders seeking an FCC ETC designation file a five-year improvement plan and demonstrate that it will satisfy applicable consumer protection and service quality standards. *See* WCB Reminds Connect America Fund Phase II Auction Applicants of the Process For Obtaining a Federal Designation as an Eligible Telecommunications Carrier, Public Notice, WC Docket Nos. 09-197, 10-90, DA 18-714 (rel. July 10, 2018) at pp 4-5.

for which it seeks designation.”<sup>15</sup> The FCC further defines local usage as a measure of minutes of use of exchange service provided for a fee and without an additional charge to end users. HTC currently offers several bundled calling plans and packages that make no distinction between local and long distance usage. HTC believes that the bundled calling plans it currently offers are comparable to those offered by the incumbent local exchange carriers in the areas in which it seeks ETC designation, including its incumbent local exchange areas within Horry County and its CLEC exchange areas within Georgetown County.

### **3. Company Will Satisfy the Requirement for Access to Emergency Services**

Company will provide access to emergency services through access to public service answering points (“PSAPs”) by dialing “911” in order to reach emergency services. The requirement that ETCs offer access to 911 or enhanced 911 (“E911”) applies only “to the extent the local government in an eligible carrier’s service area has implemented 911 or enhanced 911 systems.”<sup>16</sup> HTC satisfies this requirement by providing its customers with access to enhanced emergency services by dialing “911.” HTC, as an ETC, will be able to expand its coverage area to allow greater access to emergency services for its customers in remote and currently unserved and underserved portions of the census blocks for which it seeks ETC designation.

### **4. Company Will Offer Lifeline and Toll Limitation Services**

HTC will offer Lifeline discounts to qualifying customers and comply with federal Lifeline requirements in fulfillment of the requirement that ETCs offer Lifeline discounts to qualifying customers. FCC rules generally require ETCs to offer toll limitation services.<sup>17</sup> However, toll limitation service “does not need to be offered for any Lifeline service that does not distinguish between toll and non-toll calls in the pricing of the service.”<sup>18</sup> Because HTC’s current bundled

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<sup>15</sup> 47 C.F.R. 54.202 (a)(1)(ii)(4).

<sup>16</sup> 47 C.F.R. § 54.101(a)(5).

<sup>17</sup> 47 C.F.R. § 54.401(a)(2).

<sup>18</sup> *Id.*

calling plans do not make a distinction between local and toll calls, HTC customers have little need for toll limitation service. However, HTC will offer toll limitation service to address the needs of qualifying low-income customers interested in obtaining a basic voice connection to the public telephone network, if so requested. Toll limitation service “denotes either toll blocking or toll control service for [ETCs] that are incapable of providing both services” or denotes both toll blocking and toll control service for ETCs that are capable of providing both services.<sup>19</sup> HTC is able to provide both toll blocking and toll control services, or either of those services, and will provide toll limitation service in the Funded Areas.

#### **5. Company Will Advertise its Universal Service Offerings**

Company commits to advertise the availability of, and charges for, the supported services using media of general distribution, consistent with its existing advertising practices. The advertising will occur through a combination of media channels, such as the local newspapers in each community, website, TV ads and social media. HTC will advertise these offerings in a manner that is designed to fully inform potential customers of the services available to them, to disclose all associated rates, and to insure that qualifying low-income individuals are informed about the availability and cost of Lifeline programs.

#### **C. Company Meets the Additional Eligibility Criteria Adopted by the FCC**

In its *2005 ETC Order*,<sup>20</sup> the FCC adopted additional criteria that all ETC applicants must satisfy in order to be granted ETC status. The criteria, as set forth in Section 54.202 of the FCC’s Rules, require that an ETC applicant must: (1) certify that it will comply with the service requirements applicable to the support that it receives; (2) submit a five-year plan that describes

<sup>19</sup> *Id.* 47 C.F.R. § 54.404(b) defines toll blocking as “a service provided by an [ETC] that lets subscribers elect not to allow the completion of outgoing toll calls from their telecommunications channel” while 47 C.F.R. § 54.404(c) defines toll control as “a service provided by an [ETC] that allows subscribers to specify a certain amount of toll usage that may be incurred on their telecommunications channel per month or per billing cycle.”

<sup>20</sup> *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, FCC 05-46 (rel. Mar. 17, 2005) (“*2005 ETC Order*”).

with specificity proposed improvements or upgrades to the applicant's network throughout its proposed service area; (3) demonstrate its ability to remain functional in emergency situations; (4) demonstrate that it will satisfy consumer protection and service quality standards.<sup>21</sup> To the extent applicable, Company will meet each of these additional criteria.

**1. Company Certifies that it Will Comply with Service Requirements  
Applicable to the Support that it Receives**

In its *2005 ETC Order*, the FCC required that an ETC applicant "make specific commitments to provide service to requesting customers in the service areas for which it is designated as an ETC."<sup>22</sup> Specifically, the FCC found that

if the ETC's network already passes or covers the potential customer's premises, the ETC should provide service immediately. In those instances where a request comes from a potential customer within the applicant's licensed service area but outside its existing network coverage, the ETC applicant should provide service within a reasonable period of time if service can be provided at reasonable cost by: (1) modifying or replacing the requesting customer's equipment; (2) deploying a roof-mounted antenna or other equipment; (3) adjusting the nearest cell tower; (4) adjusting network or customer facilities; (5) reselling services from another carrier's facilities to provide service; or (6) employing, leasing, or constructing an additional cell site, cell extender, repeater, or other similar equipment.<sup>23</sup>

The FCC stated that if an ETC applicant determines that it cannot serve the customer using one or more of these methods, "then the ETC must report the unfulfilled request to the [FCC] within 30 days after making such determination."<sup>24</sup>

Company hereby certifies that it will comply with the service requirements applicable to the supported voice and broadband services that it will be offering in the Funded Areas, including the requirements for the CAF II auction program. Company submitted a certification by a professional engineer as part of its CAF II long form application, which stated that the Company's

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<sup>21</sup> See, 47 C.F.R § 54.202.

<sup>22</sup> *2005 ETC Order* at ¶ 22.

<sup>23</sup> *Id.* (footnotes omitted).

<sup>24</sup> *Id.*

network is providing voice and data services to customers in the Funded Areas and the network capacity can handle the anticipated peak service loads.

## **2. Five-Year Plan for Proposed Improvements or Upgrades**

As stated in footnote 14 herein, the FCC has waived the requirement that winning bidders seeking an FCC ETC designation file a five-year improvement plan in connection with CAF Phase II funding requests. The FCC found that the more specific measures it had adopted for CAF recipients to track deployment, including annual reporting of service to geocoded locations and certifications of compliance with benchmark milestones, provided a “more defined yardstick by which to measure their progress towards the universal availability of voice and broadband service in their areas.”<sup>25</sup> Likewise, HTC requests that the Commission waive the requirements of Reg. 103-690.C.(a)(1)(B) to submit a two-year plan describing the proposed improvements or upgrades. HTC will comply with the more stringent detailed broadband buildout obligations imposed by the FCC. Specifically, each support recipient must complete construction and begin commercially offering service to 40 percent of the requisite number of locations in a state by the end of the third year of funding, and to an additional 20 percent in each subsequent year, with 100 per cent by the end of the sixth year.<sup>26</sup> To monitor compliance, the FCC has adopted reporting requirements which include: “reporting a list of geocoded locations each year to which the support recipient is offering the required voice and broadband services, making a certification when the support recipient has met service milestones, and submitting the annual FCC Form 481 report.”<sup>27</sup> If a recipient fails to offer service to the required number of locations by a service milestone, FCC rules require quarterly status reporting and, in some instances, support is withheld until compliance

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<sup>25</sup> See WCB Reminds Connect America Fund Phase II Auction Applicants of the Process For Obtaining a Federal Designation as an Eligible Telecommunications Carrier, Public Notice, WC Docket Nos. 09-197, 10-90, DA 18-714 (rel. July 10, 2018) at pp 4-5, and p. 5, fn 34 (*quoting* 2016 Rate-of-Return Reform Order, 31 FCC 3166, 3168, ¶ 216).

<sup>26</sup> See *Connect America Fund Phase II Auction Scheduled for July 24, 2018; Notice and Filing Requirements and Other Procedures for Auction 903*, Public Notice, 33 FCC Rcd 1428, ¶ 14 (2018).

<sup>27</sup> *Id.* at ¶ 17 (citations omitted).

is achieved.<sup>28</sup> Recipients are also subject to requirements to conduct quarterly measurements of speed and latency and annually report network performance.<sup>29</sup>

In lieu of filing the two-year plan provided for in Reg. 103-690.C.(a)(1)(B), HTC will make available to the Commission and ORS all reports it is required to file with the FCC in connection with the CAF Phase II funding for the Funded Areas, as described above. Should the Commission determine not to grant this waiver, HTC will submit a two-year buildout plan as expeditiously as possible.

### **3. Company Will Remain Functional in Emergency Situations**

Company hereby certifies that it is able to function in emergency situations as set forth in §54.202(a)(2).<sup>30</sup> Company's voice and broadband network is designed to remain functional in emergency situations without an external power source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations as required by Section 54.202(a)(2).

The Company also complies with the FCC's backup power requirements that became effective in 2015.<sup>31</sup>

### **4. Company Will Satisfy Consumer Protection and Service Quality Standards**

In establishing this certification in its *2005 ETC Order*, the FCC found that an ETC must make "a specific commitment to objective measures to protect consumers."<sup>32</sup> The FCC found that for wireless ETCs, compliance with CTIA's Consumer Code for Wireless Service would satisfy this requirement, and that the sufficiency of other commitments would be considered on a case-

<sup>28</sup> *Id.* citing §§ 54.315(c)(4), 54.320.

<sup>29</sup> See Connect America Fund, WC Docket No. 10-90, Order, DA 18-710 (rel. July 6, 2018).

<sup>30</sup> Section 54.202(a)(2) requires ETCs that are designated by the Commission to "demonstrate its ability to remain functional in emergency situations, including a demonstration that it has a reasonable amount of back-up power to ensure functionality without an external power source, is able to reroute traffic around damaged facilities, and is capable of maintaining traffic spikes resulting from emergency situations."

<sup>31</sup> 47 C.F.R. § 12.5.

<sup>32</sup> *2005 ETC Order* at ¶ 28



by-case basis.<sup>33</sup> In this context, the FCC stated, “to the extent a wireline or wireless ETC applicant is subject to consumer protection obligations under state law, compliance with such laws may meet our requirement.”<sup>34</sup>

As stated in footnote 14 herein, the FCC has waived the requirement that winning bidders seeking an FCC ETC designation certify that it will satisfy consumer protection and service quality standards. Despite this fact, Company hereby certifies that it is complying with applicable service quality standards and consumer protection rules, including complying with Lifeline service standards pursuant to 47 C.F.R. § 54.408 including minimum broadband speed requirements, data usage allowance, and accessibility to WIFI devices.

#### **V. Company will Satisfy Applicable State-Specific ETC Requirements**

Commission Regulation 103-690.C. provides the requirements for initial designation as an ETC. The state regulation generally tracked the corresponding federal regulations at the time the state regulation was promulgated in 2008. Since that time, the federal regulations have changed, and some of the state-specific requirements may not be applicable.

HTC commits to providing service throughout its proposed designated service area to all customers making a reasonable request for service, as required by R. 103-690.C.(1)(A).

As explained in Section IV.C.2 above, HTC requests a waiver of the requirement to submit a 2-year plan pursuant to R. 103-690.C.(1)(B) for the reasons stated therein. The Commission may waive a rule or regulation where circumstances indicate that a waiver is appropriate, upon a finding that such waiver is not contrary to the public interest.<sup>35</sup> HTC respectfully submits that the

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<sup>33</sup> *Id.* The FCC noted that under the CTIA Consumer Code, wireless carriers agree to: “(1) disclose rates and terms of service to customers; (2) make available maps showing where service is generally available; (3) provide contract terms to customers and confirm changes in service; (4) allow a trial period for new services; (5) provide specific disclosures in advertising; (6) separately identify carrier charges from taxes on billing statements; (7) provide customers the right to terminate service for changes to contract terms; (8) provide ready access to customer service; (9) promptly respond to consumer inquiries and complaints received from government agencies; and (10) abide by policies for protection of consumer privacy.” *Id.* at n. 71.

<sup>34</sup> *Id.* at n. 72.

<sup>35</sup> *See* S.C. Code Ann. Regs. 103-803.

requirement should be waived in this case. In lieu of filing the two-year plan provided for in Reg. 103-690.C.(a)(1)(B), HTC will make available to the Commission and ORS all reports it is required to file with the FCC in connection with the CAF Phase II funding for the Funded Areas, as described above. Should the Commission determine not to grant the requested waiver, HTC will provide such a plan as expeditiously as possible.

HTC has demonstrated its ability to remain functional in emergency situations, as explained in Section IV.C.3 above, in compliance with R. 103-690.C.(2). HTC has demonstrated that it will satisfy applicable consumer protection and service quality standards, as explained in Section IV.C.4 above, in compliance with R. 103-690.C.(3).

HTC has demonstrated that it offers a local usage plan comparable to the one offered by the incumbent LEC in the service areas for which it seeks designation, as explained in Section IV.B.2 above, in compliance with R. 103-690.C.(a)(4).

Attached to this Application, as required by R. 103-690.C.(a)(5)-(7), is the Affidavit of Carlton Lewis, an officer of the Company, certifying that the Company acknowledges that the FCC may require it to provide equal access to long distance carriers in the event that no other ETC is providing equal access within the service area; that the Company does offer or will offer the services supported by federal universal service support by using its own facilities or a combination of its own facilities and resale of another carrier's services; and that it does or will advertise in a media of general distribution the availability of such services, including Lifeline services and the applicable charges.

## **VI. Grant of This Application Will Serve the Public Interest**

HTC's designation as an ETC for the Funded Areas will allow it to build out unserved or underserved areas using federal funding, bringing the benefits of high-speed broadband to these areas. Accordingly, it is in the public interest to designate Company as an ETC in the CAF Phase II Funded Areas. Once the Commission grants Company's ETC application and the FCC approves

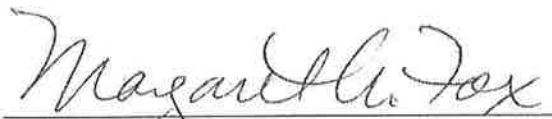
Company for funding, the Company will receive \$233,490 over a ten-year period which it will use “as intended” to provide 25 Mbps / 3 Mbps broadband to those residing and working in the Funded Areas.

HTC respectfully requests a waiver of R. 103-690.C.(b) to the extent it would prohibit designation of HTC as an ETC in an area smaller than a wire center. As described above, the FCC has established a mechanism to ensure the deployment of broadband to unserved and underserved areas. It has done so by undertaking a granular analysis, at the Census Block and location level, to target funding to such areas. The incumbent price cap carriers serving the Funded Areas were not offered support for these high-cost locations as the FCC had designated support for these blocks would be distributed through Auction 903. If the Commission were to deny HTC the designation it requests at the Census Block level in order to obtain available federal funding to serve the Funded Areas, those areas likely would remain unserved or underserved. Therefore, it is in the public interest to grant the requested waiver of that portion of R. 103-690.C(b) that provides that the Commission shall not designate an ETC service area smaller than an entire wire center.

## **VII. Conclusion and Request for Expedited Review**

In order to be eligible for the federal funding available to HTC under CAF Phase II, the FCC requires that HTC be designated as an ETC in the areas for which it seeks support not later than February 25, 2019. For the reasons stated above, granting this Application will serve the public interest by allowing HTC to use available federal funding to bring robust broadband service to certain underserved areas of the State. The Company respectfully requests that the Commission grant this application in an expeditious manner to enable HTC to meet the FCC’s deadline. Attached hereto is the sworn Affidavit of Carlton Lewis, an officer of the Company, attesting to the truth and accuracy of this Application, and making the certifications required by Commission Regulation 103-690.C.(a)(5)-(7).

Respectfully submitted,

A handwritten signature in cursive script, reading "Margaret M. Fox". The signature is written in dark ink and is positioned above a horizontal line.

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Attorneys for Horry Telephone Cooperative, Inc.

Columbia, South Carolina

December 20, 2018

**EXHIBIT A****CENSUS BLOCK GROUPS AND NUMBER OF LOCATIONS:**

450439204001	SC	Georgetown	38
450439205051	SC	Georgetown	11
450679505003	SC	Marion	31

**ELIGIBLE CENSUS BLOCKS WITHIN THE CENSUS BLOCK GROUPS (I.E. CENSUS BLOCKS FOR WHICH HTC SEEKS ETC DESIGNATION):**

block_id	stateabbr	county_name	cbg_id
450439204001015	SC	Georgetown	450439204001
450439204001027	SC	Georgetown	450439204001
450439204001053	SC	Georgetown	450439204001
450439204001100	SC	Georgetown	450439204001
450439204001103	SC	Georgetown	450439204001
450439204001107	SC	Georgetown	450439204001
450439204001113	SC	Georgetown	450439204001
450439204001137	SC	Georgetown	450439204001
450439204001175	SC	Georgetown	450439204001
450439204001178	SC	Georgetown	450439204001
450439204001198	SC	Georgetown	450439204001
450439205051042	SC	Georgetown	450439205051
450439205051057	SC	Georgetown	450439205051
450439205051079	SC	Georgetown	450439205051
450439205051080	SC	Georgetown	450439205051
450679505003026	SC	Marion	450679505003
450679505003037	SC	Marion	450679505003

**EXHIBIT B**

**Map of Census Block Groups**



Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), NGCC, © OpenStreetMap contributors, and the GIS User Community

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
Docket No. 2018-346-C

IN RE: )  
)  
Application of Horry Telephone Cooperative, Inc. )  
for Designation as an Eligible Telecommunications )  
Carrier In Certain Census Blocks in Georgetown and )  
Marion Counties for Purposes of Receiving Federal )  
Connect America Fund ("CAF") Phase II Support )  
)

**CERTIFICATE OF SERVICE**

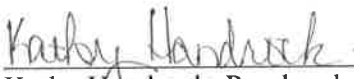
I, Kathy Handrock, Paralegal for McNair Law Firm, P.A., do hereby certify that I have this date served one (1) copy of the foregoing Horry Telephone Cooperative, Inc. Amended Application for Eligible Telecommunications Carrier Designation and Testimony of Brent Groome upon the following parties of record by causing said copies to be deposited in the United States Mail, First Class, postage prepaid to:

C. Lessie Hammonds, Esquire  
Office of Regulatory Staff  
1401 Main Street, Suite 900  
Columbia, SC 29201

Alexander W. Knowles, Esquire  
Office of Regulatory Staff  
1401 Main Street, Suite 900  
Columbia, SC 29201

Becky Dover, Esquire  
SC Department of Consumer Affairs  
Via E-mail: [bdover@scconsumer.gov](mailto:bdover@scconsumer.gov)  
\*\*\*For Notice Purposes\*\*\*

Carri Grube – Lybarker, Esquire  
SC Department of Consumer Affairs  
Via E-mail: [clybarker@scconsumer.gov](mailto:clybarker@scconsumer.gov)  
\*\*\*For Notice Purposes\*\*\*

  
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Kathy Handrock, Paralegal  
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Post Office Box 11390  
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December 20, 2018

Columbia, South Carolina